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SIORs Lead by Example, Share Experience to Keep Teams Upbeat



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By Steve Lewis

“When the going gets tough, the tough get going.” It is an old cliché—but it rings true today. In these challenging times, the most successful leaders are those who are willing to take charge, to lead by example, and to share with their teams the lessons they have learned about succeeding in hard times.



It is important to convey a “can-do” attitude—and the belief that this is indeed a time of opportunity. “Basically, my story is that right now is a great time to be in the business—we finally have time to concentrate on the ‘blocking and tackling’ and get back to the basics,” says **Douglas G. Brockhouse, CCIM, SIOR**, of Bender Commercial Real Estate

Services in Sioux Falls, South Dakota. “We’re not running around just trying to stay ahead of the next upset buyer who is trying to spend money for no apparent reason,” he added.



“The key to keeping morale high and winning business while times are tough is to take action when others are sitting on their hands,” adds **Jeff S. Fredericks, SIOR**, of Colliers International in San Jose, California.



Edward Indvik, SIOR, an industrial specialist with Lee & Associates in Riverside, California, adds: “You need an upbeat environment; it’s very

easy to get down and discouraged.” “Create that upbeat environment by doing things internally like hosting lunches, creating special team projects, or getting together and learning more about the people you work with on a day-to-day basis. Keep up an encouraging attitude; bad times don’t last forever.”

“I have a saying tattooed to my forehead:



‘Never convince yourself that you are doing better than you are,’” says **Jeffrey H. Gage, CCIM, SIOR**, Jones Lang LaSalle, Stamford, Connecticut. “With this attitude, we never take our foot off the accelerator, and we work the market as

hard as we can regardless of what the economy is doing. Leases expire regardless of the economy, so there is always an opportunity for a brokerage assignment and an opportunity to earn a commission.”



“I try to focus on four categories,” says **Brian Watson**, Founder and President of Northstar Commercial Properties in Denver. “The primary one for us is providing acknowledgment and support for employees. Then,

take time for daily interactions with your employees to provide positive reinforcement. Performance-based compensation is always important. And finally, encourage employees to become part of the larger picture of life.”

Be Supportive, Encourage Excellence

It is important, says Fredericks, to keep an even keel in terms of dealing with your team. “The key is consistency and treating everyone fairly and equally in good times and bad,” he advises. “Employees and brokers then understand the culture and appreciate the actions that the company needs to take when tightening their belt. They can be confident that management cares about them and that decisions are made that are in the best interests of the entire company. At Colliers, we want to be ‘The Last Best Place’ in all times, not just good times.”

“In a down economy, we encourage our people to be the optimists and work to bring back the vitality to the market,” says Gage. “It’s amazing how much impact a positive attitude can have on an individual’s production.”

Brockhouse says he is honest, but supportive. “We always talk about corrections in the market,” he notes. “I tell them ‘If you are in this business for the long run and you truly want to make this a career, here’s a golden opportunity for you.’ We’re going to shake some agents out, but right now is the exact time to get out there, start advertising, start positioning yourself, and get the education. The pendulum *will* come swinging back, and *you* have to be positioned to be the expert in your field.”

“We talk about [the market] all the time,” says Brockhouse. “We’re having fallout, and maybe we needed it, but I tell them that here is the opportunity to get yourself positioned. I think positioning is critical right now.”

“I tell employees that they’ve got to be proactive, move forward, and realize they are not the only ones facing adversity,” adds Indvik. “All those

discussions build camaraderie; there's a certain team-building benefit you get by having a common goal and challenge."

His experience, which he shares with his team, is that every time you come out of a down cycle, those who make it through end up having more success and prosperity coming out on the other side. "We've developed the attitude that this is our time and our opportunity to be proactive and to make sure we take full advantage of what's in front of us," he asserts.

Be a Supportive Leader

Watson says that support and acknowledging success are critical in times like these. "People like to see they are making a contribution," he explains. "We work as a team, and everybody has a differ-

"The key to this business is relationships, referrals, repeat business, and reputation."

—Jeffrey H. Gage, CCIM, SIOR

ent area of expertise. What I try to focus on is recognizing their participation."

In terms of support, Watson says that he will take time to ask how people are doing, and if they have the right tools to succeed.

His firm also provides performance-based compensation. "I believe in celebrating our successes," he explains, noting that this comes in two distinct forms. The first is general gift giving, which does not necessarily cost the company any money. "It can be a Friday afternoon, where I

tell everyone to go home a couple of hours early," he notes. "Or, I am flexible on work hours for support staff when they have put in extra hours." He also gives out gift certificates from time to time. One Christmas, after closing a big deal, he gave everyone a gift card for an office "happy hour" with drinks and refreshments.

After team members have tenure and have proved themselves through their performance, Watson considers giving them a partial interest in deals.

He also encourages employees to be active in the community. "I give all employees one paid day off to go out and do a community service project, and then I have them come back and speak to the group," says Watson.

"We also do one community service project together as a company each year."

Finally, he advises, "Listen to your people. I have a strategic meeting every Monday, and I encourage everyone to make suggestions as to how we could be better."

Doing More, Not Less

SIORs agree it takes more than just a positive attitude to succeed in down times, and they also boost morale with strong support and concrete plans for success. "At our Colliers Silicon Valley

office, we have four client events per year and this year we are adding a fifth event while many of our competitors are scaling back on their own customer outreach,” says Fredericks. “These events not only get us in front of our customers, but it gets us in front of them at a critical time—when many of them are thinking about moving product or making other changes to their marketing efforts. Internally, these events create energy and a buzz around the office and this collective spirit fosters action, activity, and success—whether you’re an agent out trying to make deals or a staff person working in the office. We do not look to cut costs in areas that impact our ability to win business.”

James H. Swartchild Jr., SIOR, Executive Vice President of Paine/Wetzel ONCOR International in Chicago follows a similar philosophy: “We have two marketing luncheons per month rather than one,” he notes.



Swartchild has many other concrete strategies he uses in down times to support and encourage his team. For example, at those marketing luncheons, databases are brought up-to-date, and the team reviews:

- All the deals in their territory,
- New inventory in their territory,
- New construction in their territory,
- Dead deals in their territory—and why they are dead, and
- What steps brokers are taking to work smarter.

In their monthly sales meetings, they review cross selling: the optimum time to cross sell; questions to ask to initiate a cross sell; the ease of using SIOR and network brokers; instructions on getting product exclusive agencies; why control of product is important in this market; and the importance of keeping agencies. Top agency brokers are used as instructors, and the top three brokers of the month are asked for their tips on doing more in this market.

In addition, a stream of private broker/management meetings is held to:

- Develop a historical pattern of “down markets” and the uniqueness of each;

- Remind each broker that we are an industry that is active in down markets as well as up markets;
- Reiterate that as we enter a new cycle it becomes bigger than the last;
- Reinforce the idea that the Chicago industrial market is “the place to be,” because it has less dramatic cycle swings and a more predictable future than other markets; and that
- Independent contractors must learn to save their earnings for any future down cycle.

Taking a Fresh Look

Brockhouse believes markets like these also provide an opportunity to take a fresh look at listings. “Something that a person listed a year ago was listed in a completely different real estate market than the one we have today,” he notes. “We take one property a week, go out and find some current comps—what has been sold or leased of that type of property—because those are today’s numbers.”

Once they have gotten current market value and lease rates, it is time to call the owner, then sit down, and explain how the market has changed. “You need to re-educate the sellers, and this is an opportunity to go and get in front of them as well,” says Brockhouse. “But first, you need to re-educate yourself.”

Indvik agrees. “Everyone has to go back and redo their business plan and act accordingly,” he says. “We started a year ago, meeting on a regular basis, gathering together in groups and discussing what we see. What we immediately recognized was that we need to have a high level of communication with clients, reaching out to them, and making sure they’ve got good information on what sales and leasing comps are and where absorption numbers are going.”

“It’s true the rent may go up or down, but our money is made on ‘churning’ square feet, not on rent differential,” counters Gage. “The key to this business is relationships, referrals, repeat business, and reputation. If the focus is kept on finding and winning new business, then the economy may have little impact on a broker’s leasing book of business.”